



6712-01

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 64

[WC Docket Nos. 18-335, 11-39; FCC 19-12]

Truth in Caller ID

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: In this document, the Commission proposes rules to implement these recently adopted amendments which expand and clarify the Act's prohibition on the use of misleading and inaccurate caller ID information. Specifically, this document proposes and seeks comment on modifications to the Commission's current Truth in Caller ID rules that largely track the language of the recent statutory amendments. The document also invites comment on what other changes to our Truth in Caller ID rules the Commission can make to better prevent inaccurate or misleading caller ID information from harming consumers. In doing so, the Commission takes another significant step in its multi-pronged approach to ending malicious caller ID spoofing.

DATES: Comments are due on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**, and reply comments are due on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may submit comments, identified by WC Docket Nos. 18-335 and 11-39, by any of the following methods:

- Federal Communications Commission's Web Site: <http://apps.fcc.gov/ecfs/>. Follow the instructions for submitting comments.

- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail:

FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.

For detailed instructions for submitting comments and additional information on the rulemaking process, see section III in the SUPPLEMENTARY INFORMATION section of this document.

FOR FURTHER INFORMATION CONTACT: Wireline Competition Bureau, Competition Policy Division, Alex Espinoza, at (202) 418-0849, or alex.espinoza@fcc.gov.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's notice of proposed rulemaking (*NPRM*) in WC Docket Nos. 18-335 and 11-39, adopted on February 14, 2019 and released on February 15, 2019. The full text of this document is available for public inspection during regular business hours in the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC 20554. It is available on the Commission's Web site at <https://www.fcc.gov/document/fcc-seeks-combat-illegal-spoofed-texts-international-calls>.

I. IMPLEMENTING NEW STATUTORY SPOOFING PREVENTION

AUTHORITY

1. As the Commission did when it initially adopted the Truth in Caller ID Act rules, in proposing rules to implement the recent amendments to section 227(e) of the Act, we largely track the relevant statutory language. We seek comment on our proposals to implement the new statutory language in our rules, generally, and with regard to each specific issue addressed below.

A. Communications Originating Outside the United States

2. First, consistent with the recent amendments to section 227(e), we propose to

extend the reach of our caller ID spoofing rules to include communications originating from outside the United States to recipients within the United States. We seek comment on this proposal. The Truth in Caller ID Act was limited to calls made within the United States; however, as the *2011 Commission Report* to Congress explained, caller ID spoofing “directed by people and entities outside the United States can cause great harm.” Six years later, the 2017 Senate Report recognized an increase in fraud committed through caller ID spoofing originating from outside the United States. Incorporating this statutory change into our Truth in Caller ID rules will allow us to bring enforcement actions that allege both statutory and rule violations against bad actors who seek out victims in this country, regardless of where the communications originate.

3. We believe that the statutory language is clear and that mirroring that language will avoid creating ambiguity from any differences between the text of the statute and of our rules. For example, we interpret the term “person” in amended section 227(e) to have the same meaning as the Commission determined “person” to have in the *2011 Truth in Caller ID Order*, 76 FR 43196 (July 20, 2011). Do commenters agree? Is there other language we should consider adopting to implement this provision of the statute? Are there nuances to the statutory language that we should account for? If so, what are they and how should we incorporate such nuances into our rules?

B. Expanding Scope of Covered Communications

4. Also consistent with section 227(e) as amended, we propose to amend our rules to incorporate the phrase “in connection with any voice service or text messaging service” into the prohibition on causing “any caller identification service to transmit or display misleading or inaccurate caller identification information.” We seek comment on this proposal.

5. The current prohibition on caller ID spoofing in § 64.1604(a) of our rules does not specify that spoofing in connection with “any telecommunications service or interconnected VoIP service” is covered by the rule. However, because we are now proposing to include a wider universe of communications services within the prohibition on caller ID spoofing, we believe that explicitly identifying the services at issue better tracks the language of the statute and provides more direct notice to covered entities. Do commenters agree with this approach? Are there alternatives that we should consider? Does the phrase “in connection with” that precedes the phrase “any voice or text messaging service” warrant clarification or interpretation in our revised rules?

C. Definitions

6. We also propose to adopt definitions of “text message,” “text messaging service,” and “voice service” and to revise the definitions of “caller identification information,” and “caller identification service” to implement Congress’ intent to expand the scope of the prohibition on harmful caller ID spoofing. We seek comment on each proposed new or revised definition and invite commenters to propose different language to better reflect Congress’ intent with respect to the expanded scope of covered communications. We propose to include these definitions in the definitions section of subpart P to our part 64 rules. We seek comment on this proposal and invite commenters to identify any unidentified consequences of that placement.

7. *Text Message.* Section 227(e) as amended defines the term “text message” as a “message consisting of text, images, sounds, or other information that is transmitted to or from a device that is identified as the receiving or transmitting device by means of a 10-digit telephone number or N11 service code.” Congress further clarified that the term explicitly includes “a short message service (SMS) message and a multimedia message service (MMS) message” but

excludes “a real-time, two-way voice or video communication” or “a message sent over an IP-enabled messaging service to another user of the same messaging service, except for [an SMS or MMS message].” We propose to adopt a definition of “text message” that mirrors this statutory language. We seek comment on this proposal and on each component of this definition.

8. Is our proposed definition sufficiently inclusive to capture all types of text messages that could be used for prohibited spoofing activity (but excluding messages that fall within the express statutory exclusions)? The definition would encompass messages that include “text, images, sounds, or other information.” Are commenters aware of examples of “information” that is not text, images or sounds that could comprise the content of a covered text message today, or did Congress include the phrase “other information” out of an abundance of caution to be as inclusive as possible given rapid changes in technology? We seek comment on any examples that may now, or in the future, exist and whether such examples should be identified and included in our rules to clarify the term “other information.”

9. The definition of text message in both section 227(e) as amended and in our proposed rules specifically include SMS and MMS as types of covered text messages. In amending section 227(e), Congress did not define SMS or MMS, nor are there definitions of SMS or MMS contained in the Commission rules. Should we include definitions of SMS and MMS in our Truth in Caller ID rules? In our recent *Wireless Messaging Service Declaratory Ruling*, 84 FR 5008 (Feb. 20, 2019), we described SMS as a “wireless messaging service” that “enables users to send and receive short text messages, typically 160 characters or fewer, to or from mobile phones and can support a host of applications.” At the same time, we recognized that MMS is “an extension of the SMS protocol and can deliver a variety of media, and enables users to send pictures, videos, and attachments over wireless messaging channels.” We believe

that our previous description of SMS and MMS are consistent with Congress' use of the terms in amending section 227(e). Do commenters agree? If not, why not? Should we adopt specific definitions or are the terms sufficiently well understood that we need not adopt definitions? If we do adopt definitions for SMS and MMS, should we use the descriptions of SMS and MMS set forth in the *Wireless Messaging Service Declaratory Ruling* as the definitions? Are there refinements we should make to those descriptions?

10. Are there other types of text messages besides SMS and MMS that we should explicitly include in the definition of text message? For instance, Rich Communication Services (RCS), an IP-based asynchronous messaging protocol, is the next-generation SMS. Should we explicitly include RCS in our definition of "text message"? If so, should we include a definition of RCS in our rules, and what should that definition be?

11. Like section 227(e) as amended, our proposed definition of text message is limited to messages that are "transmitted to or from a device that is identified as the receiving or transmitting device by means of a 10-digit telephone number or N11 service code." The Commission has previously described N11 services as "abbreviated dialing arrangements that allow telephone users to connect with a particular node in the network by dialing only three digits." We believe that our previous description of N11 service codes is consistent with Congress' use of the term in amending section 227(e). Do commenters agree? If not, why not? Should we adopt a definition of N11 service code? If so, should we codify our previous description? Are there refinements we should make to that description?

12. Section 227(e) as amended excludes from the definition of "text message" "real-time, two-way voice or video communications." By proposing to explicitly exclude "real-time, two-way voice or video communications" in our proposed definition of "text message," we track

the statutory definition. Should we clarify in our rules what “real-time, two-way voice or video communications” means for the purpose of being excluded from the term “text message”? We invite commenters to offer specific clarifying language. We believe that “real-time, two-way voice” communications that are transmitted by means of a 10-digit telephone number or N11 service code are excluded from the definition of text message because they are included in the definition of “voice service.” We seek comment on that understanding. We also seek comment on whether there are real-time, two-way video communications that are transmitted by means of a 10-digit telephone number or N11 service code that are excluded from the definition of text message and not encompassed by the definition of voice service.

13. Section 227(e) as amended also excludes from the definition of “text message” “a message sent over an IP-enabled messaging service to another user of the same messaging service.” By tracking the statutory definition of “text message,” our proposed definition incorporates that exclusion. We believe we should interpret this exclusion to include non-MMS or SMS messages sent using IP-enabled messaging services such as iMessage, Google Hangouts, WhatsApp, and Skype. For instance, a message sent from one computer to another computer using WhatsApp, or the “chat” function on Google Hangouts would appear to be an IP-enabled messaging service between users of the same messaging service under the second exclusion in the statutory definition of “Text Message.” Likewise, text communications between or among two or more Skype users or iMessages between or among iPhone users would also not appear to be covered. Do commenters agree? If not, why not? What other IP-messaging services should we recognize as falling within the scope of this exclusion? Should we include specific examples in our rules? Will the scope of this exclusion, as we propose to interpret it, allow for adequate enforcement against misleading or inaccurate text messages or provide a safe harbor for bad

actors to exploit?

14. We also seek comment on whether there are other messages consisting of forms of text, visual, audio, or other information transfer using telephone numbers or N11 codes that we should exclude from the definition of “text message” beyond those specifically excluded in section 227(e) as amended. We invite commenters to identify any such text message types, and to explain why we should exclude them. Commenters arguing for specific exclusions should explain why, in their view, adding exclusions would be consistent with congressional intent.

15. We do not believe that the new statutory definition of “text message” or any of the other recent amendments to section 227(e) regarding text messages affects the Commission’s finding that text messages are “calls” for purposes of section 227(b) which, among other things, places limits on calls made using any automatic telephone dialing system or artificial or prerecorded voice. Congress placed the new definition of “text message” in section 227(e) rather than in section 227(a), which contains definitions generally applicable throughout section 227. We therefore see nothing in section 227(e) as amended to suggest that Congress intended to disturb the Commission’s long-standing treatment of text messages under section 227(b), which has been in place since 2003. We seek comment on this view.

16. *Text Messaging Service.* Section 227(e) as amended defines a “text messaging service” as “a service that enables the transmission or receipt of a text message, including a service provided as part of or in connection with a voice service.” We propose to adopt this same definition as part of our Truth in Caller ID rules and seek comment on this proposal. Maintaining consistency with the statutory definition of text messaging service for unlawful spoofing prevention is particularly important given that it is only text messages “sent using a text messaging service” that Congress includes within the scope of section 227(e) as amended. Do

commenters agree? If not, why? We also seek comment on the meaning of “as part of or in connection with a voice service.” Should we include clarifying language in our rules for an avoidance of doubt? If so, what language do commenters suggest?

17. In the *Wireless Messaging Service Declaratory Ruling*, we found that SMS and MMS wireless messaging services fall within the statutory definition of “information service” rather than “telecommunications service.” We do not believe this classification impacts our proposals in this *NPRM* to implement statutory amendments to section 227(e). Do commenters agree? If not, why?

18. *Voice Service*. Section 227(e) as amended defines “voice service” as any service that is interconnected with the public switched telephone network and that furnishes voice communications to an end user using resources from the North American Numbering Plan or any successor to the North American Numbering Plan adopted by the Commission under section 251(e)(1). It also explicitly “includes” “transmissions from a telephone facsimile machine, computer, or other device to a telephone facsimile machine.” We propose to adopt the identical definition of “voice service” for purposes of our Truth in Caller ID rules. We seek comment on this proposal. Mirroring the definition contained in section 227(e) as amended will avoid potential confusion that might otherwise occur if our rules contain different wording. Do commenters agree? If not, why not and what alternative definition(s) should we consider?

19. Our existing rules cover calls made using “telecommunications service” or “interconnected VoIP service.” We propose to interpret the term “voice service” to include and be more expansive than “telecommunications service” and “interconnected VoIP service” as currently defined. Do commenters agree? What are examples of specific voice communications captured by the term “voice service” but not by the terms “telecommunications service” or

“interconnected VoIP service”?

20. Separately, we seek comment on whether we should explicitly include the terms “telecommunications service” and “interconnected VoIP service” within the definition of “voice service.” Would that provide useful clarity to stakeholders? Are there other services we should specifically include within the definition of “voice service”?

21. We also seek comment on whether we should explicitly include within the definition of voice service, “real-time, two-way voice communications” that are transmitted by means of a 10-digit telephone number or N11 service code? Such communications are explicitly excluded from the definition of “text message” in section 227(e) as amended. We think the best way to understand that exclusion is to find that those types of voice communications are encompassed by the definition of “voice service.” Do commenters agree? Should we modify our proposed definition of “voice service” to explicitly incorporate that understanding? We invite commenters to suggest specific modifications.

22. Relatedly, section 227(e) as amended specifies that communications falling within the “voice service” definition must be “interconnected” with the public switched telephone network (PSTN). Congress neither defined the term “interconnected” for purposes of section 227(e) of the Act nor referred to other statutory provisions or Commission rules where the word “interconnected” is used as part of the definition of specific categories of communications. For instance, the Act defines “interconnected VoIP service” and “interconnected service” in different sections of the statute to identify specific but different services that are covered by such definitions. Similarly, our rules contain definitions for each of these terms. Yet Congress uses only the word “interconnected” in defining the scope of voice services covered under amended section 227(e). Indeed, in amending section 227(e), Congress specifically *removed* from the

definitions of covered voice services the reference to the definition of “interconnected VoIP service” as defined in § 9.3 of the Commission’s rules. Consequently, we believe Congress no longer intends to limit the scope of IP-enabled voice services implicated by the section 227(e) prohibition to those meeting the definition of “interconnected VoIP service.” We invite comment on this proposed conclusion.

23. In light of this apparent intent by Congress to broaden the definition of voice services subject to the section 227(e) prohibition, should we interpret the term “interconnected” as used in the definition of “voice service” to include any service that enables voice communications either to the PSTN or from the PSTN, regardless of whether it enables both inbound and outbound communications within the same service. For example, should we include within the definition of “voice services” any “one-way” VoIP service that connects with the PSTN and uses telephone numbers that separately enable users to make outbound calls to landline or mobile telephones or to receive inbound calls from landline or mobile telephones? Such services are not “interconnected VoIP” services because they do not permit users to receive calls originating on the PSTN *and* terminate calls to the PSTN. Should we find that section 227(e) as amended, and our proposed implementing rules reach these “one-way” IP-based voice services and any similar IP-based or other technology-based calling capability, whether offered by a service provider, or self-provisioned, as long as they connect with the PSTN and use NANP resources?

24. The *2011 Commission Report* recognized that real-time two-way voice communications between and among closed user groups do not give rise to the same degree of caller ID spoofing concern as “interconnected VoIP services.” Because these types of services have no connection to the PSTN, we do not believe Congress intends to reach these types of

voice communications, nor do we believe that they fall within the definition of “voice services.”

We seek comment on this view, and whether we should identify and include specific examples of voice communications that do not fall within the definition of “voice service” in our rules.

25. We seek comment on whether we should interpret “interconnected” to include both direct and indirect interconnection to the PSTN to account for different methods of interconnection. Are there particular types of voice communications that are susceptible to caller ID spoofing that would not be captured by the definition of “voice services” if we fail to interpret “interconnected” to include voice services that are indirectly connected to the PSTN? What are those services? Are there reasons not to interpret “interconnected” to include both direct and indirect connections to the PSTN?

26. Are there other consequences that flow from our proposed interpretation of “interconnected” to the PSTN, including any potential consequences resulting from our use of the term “voice service provider” in the context of section 227(b), that we should consider? If we interpret “interconnected” as we propose to do, should we expressly include a definition of that interpretation within the definition of “voice service” in our rules to provide more specificity about that interpretation? If so, we invite suggestions on how to proceed.

27. Finally, the definition of “voice service” in section 227(e) as amended specifically “includes” transmissions to a “telephone facsimile machine” (fax machine) from a computer, fax machine, or other device. We propose to incorporate this additional specification into our rules. We seek comment on this proposal.

28. *Caller Identification Information and Caller Identification Service.* Consistent with amended section 227(e)(8), we also propose to amend the definition of “caller identification information” and “caller identification service” in our rules to mirror the amended statutory text.

Specifically, we propose to substitute “voice services” and “text message sent using a text messaging service” for “telecommunications services” and “interconnected VoIP services,” respectively, currently in each of these definitions. We seek comment on this proposal

29. More generally, with respect to all of our proposals to implement new or revised definitions of covered communications within subpart P of part 64 of our rules, we seek comment on whether there are any other uses of these or related terms within this same subpart, or in other parts of our rules, that overlap, are changed or otherwise affected by the definitions we propose and are not specifically addressed above. If so, we invite commenters to identify these other rules and explain how such rules are impacted.

D. Other Potential Changes to the Rules

30. In addition to the proposals we make above to implement the statutory amendments to section 227(e) adopted in the RAY BAUM’S Act, are there other revisions we should make to our Truth in Caller ID rules to effectuate Congress’ intent? For example, are there any other necessary limitations, exceptions, extensions, or clarifications to the proposed rules or our existing rules that we have not addressed that are necessary to implement the amendments to section 227(e)? If so, we seek comment on any such further changes to our rules and why they are necessary. Finally, we do not expect our proposed rules or any alternative rules we may adopt in response to this *NPRM* to impact small businesses. Do commenters agree? ZipDX asks us to broaden the scope of this *NPRM* to consider changes to our rules beyond those necessary to implement section 503 of the RAY BAUM’S Act, and beyond the scope of the section 227(e) as amended. We are committed to attacking deceptive robocalls through all the tools at our disposal but limit our proposals herein to those necessary to meet Congress’ statutory deadline to prescribe implementing regulations.

II. INITIAL REGULATORY FLEXIBILITY ANALYSIS

31. As required by the Regulatory Flexibility Act of 1980, as amended (RFA), the Commission has prepared this Initial Regulatory Flexibility Analysis (IRFA) of the possible significant economic impact on small entities by the policies and rules proposed in the *NPRM*. The Commission requests written public comments on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments provided on the first page of the *NPRM*. The Commission will send a copy of the *NPRM*, including this IRFA, to the Chief Counsel for Advocacy of the Small Business Administration (SBA). In addition, the *NPRM* and IRFA (or summaries thereof) will be published in the **Federal Register**.

A. Need for, and Objectives of, the Proposed Rules

32. RAY BAUM'S Act mandates that the Commission issue rules updating the regulations implementing the Truth in Caller ID Act by September 2019. The Congressional mandate coincides with the need to protect consumers from misleading and inaccurate caller ID spoofing, which can contribute to serious fraud and abuse. In this *NPRM*, we propose to update our rules to implement the changes made to the Communications Act by Congress, by including within their scope: (1) communications originating outside of the United States and (2) forms of communication such as text messaging any interconnected voice communication services that use North American Numbering Plan (NANP) resources, and fax transmissions.

33. The proposed rule changes directly adopt the language contained in RAY BAUM'S Act: the scope of covered communications now includes those originating outside of the United States, so long as they are directed at recipients within the United States; and the types of services covered are changed from "telecommunications service" and "interconnected VoIP service" to the more precisely defined "voice service" and "text messaging service," with

“voice service” including any service interconnected with the PSTN and that furnishes voice communications to an end user using NANP resources. The proposed rules do not impose record keeping or reporting obligations on any entity.

B. Legal Basis

34. The proposed action is authorized under the RAY BAUM’S Act, Pub. L. No. 115-141, Div. P, 132 Stat. 348, and in sections 1, 4(i), 201(b), 227(e), 251(e) and 303 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 154(i), 201(b), 227(e), 251(e) and 303.

C. Description and Estimate of the Number of Small Entities to Which the Proposed Rules Will Apply

35. The RFA directs agencies to provide a description of, and where feasible, an estimate of the number of small entities that may be affected by the proposed rules and by the rule revisions on which the *NPRM* seeks comment, if adopted. The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.” In addition, the term “small business” has the same meaning as the term “small-business concern” under the Small Business Act. A “small-business concern” is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.

36. *Small Businesses, Small Organizations, Small Governmental Jurisdictions.* Our actions, over time, may affect small entities that are not easily categorized at present. We therefore describe here, at the outset, three broad groups of small entities that could be directly affected herein. First, while there are industry specific size standards for small businesses that are used in the regulatory flexibility analysis, according to data from the SBA’s Office of

Advocacy, in general a small business is an independent business having fewer than 500 employees. These types of small businesses represent 99.9% of all businesses in the United States which translates to 28.8 million businesses.

37. Next, the type of small entity described as a “small organization” is generally “any not-for-profit enterprise which is independently owned and operated and is not dominant in its field.” Nationwide, as of Aug 2016, there were approximately 356,494 small organizations based on registration and tax data filed by nonprofits with the Internal Revenue Service (IRS).

38. Finally, the small entity described as a “small governmental jurisdiction” is defined generally as “governments of cities, counties, towns, townships, villages, school districts, or special districts, with a population of less than fifty thousand.” U.S. Census Bureau data from the 2012 Census of Governments indicates that there were 90,056 local governmental jurisdictions consisting of general purpose governments and special purpose governments in the United States. Of this number there were 37,132 General purpose governments (county, municipal and town or township) with populations of less than 50,000 and 12,184 Special purpose governments (independent school districts and special districts) with populations of less than 50,000. The 2012 U.S. Census Bureau data for most types of governments in the local government category shows that the majority of these governments have populations of less than 50,000. Based on this data we estimate that at least 49,316 local government jurisdictions fall in the category of “small governmental jurisdictions.”

39. *Wired Telecommunications Carriers.* The U.S. Census Bureau defines this industry as “establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired communications networks. Transmission facilities may

be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution, and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry.” The SBA has developed a small business size standard for Wired Telecommunications Carriers, which consists of all such companies having 1,500 or fewer employees. Census data for 2012 show that there were 3,117 firms that operated that year. Of this total, 3,083 operated with fewer than 1,000 employees. Thus, under this size standard, the majority of firms in this industry can be considered small.

40. *Local Exchange Carriers (LECs)*. Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to local exchange services. The closest applicable NAICS Code category is Wired Telecommunications Carriers. Under the applicable SBA size standard, such a business is small if it has 1,500 or fewer employees. U.S. Census Bureau data for 2012 shows that 3,117 firms operated for the entire year. Of that total, 3,083 operated with fewer than 1,000 employees. Thus under this category and the associated size standard, the Commission estimates that the majority of local exchange carriers are small entities.

41. *Incumbent LECs*. Neither the Commission nor the SBA has developed a small business size standard specifically for incumbent local exchange services. The closest applicable NAICS Code category is Wired Telecommunications Carriers. Under the applicable SBA size standard, such a business is small if it has 1,500 or fewer employees. U.S. Census Bureau data for 2012 indicate that 3,117 firms operated the entire year. Of this total, 3,083 operated with

fewer than 1,000 employees. Consequently, the Commission estimates that most providers of incumbent local exchange service are small businesses that may be affected by our actions.

According to Commission data, one thousand three hundred and seven (1,307) Incumbent Local Exchange Carriers reported that they were incumbent local exchange service providers. Of this total, an estimated 1,006 have 1,500 or fewer employees. Thus using the SBA's size standard the majority of incumbent LECs can be considered small entities.

42. *Competitive Local Exchange Carriers (Competitive LECs), Competitive Access Providers (CAPs), Shared-Tenant Service Providers, and Other Local Service Providers.*

Neither the Commission nor the SBA has developed a small business size standard specifically for these service providers. The appropriate NAICS Code category is Wired

Telecommunications Carriers and under that size standard, such a business is small if it has 1,500 or fewer employees. U.S. Census Bureau data for 2012 indicate that 3,117 firms operated during that year. Of that number, 3,083 operated with fewer than 1,000 employees. Based on these data, the Commission concludes that the majority of Competitive LECS, CAPs, Shared-Tenant Service Providers, and Other Local Service Providers, are small entities. According to Commission data, 1,442 carriers reported that they were engaged in the provision of either competitive local exchange services or competitive access provider services. Of these 1,442 carriers, an estimated 1,256 have 1,500 or fewer employees. In addition, 17 carriers have reported that they are Shared-Tenant Service Providers, and all 17 are estimated to have 1,500 or fewer employees. Also, 72 carriers have reported that they are Other Local Service Providers. Of this total, 70 have 1,500 or fewer employees. Consequently, based on internally researched FCC data, the Commission estimates that most providers of competitive local exchange service, competitive access providers, Shared-Tenant Service Providers, and Other Local Service

Providers are small entities.

43. We have included small incumbent LECs in this present RFA analysis. As noted above, a “small business” under the RFA is one that, *inter alia*, meets the pertinent small business size standard (e.g., a telephone communications business having 1,500 or fewer employees), and “is not dominant in its field of operation.” The SBA’s Office of Advocacy contends that, for RFA purposes, small incumbent LECs are not dominant in their field of operation because any such dominance is not “national” in scope. We have therefore included small incumbent LECs in this RFA analysis, although we emphasize that this RFA action has no effect on Commission analyses and determinations in other, non-RFA contexts.

44. *Interexchange Carriers (IXCs)*. Neither the Commission nor the SBA has developed a definition for Interexchange Carriers. The closest NAICS Code category is Wired Telecommunications Carriers. The applicable size standard under SBA rules is that such a business is small if it has 1,500 or fewer employees. U.S. Census Bureau data for 2012 indicate that 3,117 firms operated for the entire year. Of that number, 3,083 operated with fewer than 1,000 employees. According to internally developed Commission data, 359 companies reported that their primary telecommunications service activity was the provision of interexchange services. Of this total, an estimated 317 have 1,500 or fewer employees. Consequently, the Commission estimates that the majority of interexchange service providers are small entities.

45. *Local Resellers*. The SBA has developed a small business size standard for Telecommunications Resellers which includes Local Resellers. The Telecommunications Resellers industry comprises establishments engaged in purchasing access and network capacity from owners and operators of telecommunications networks and reselling wired and wireless telecommunications services (except satellite) to businesses and households. Establishments in

this industry resell telecommunications; they do not operate transmission facilities and infrastructure. Mobile virtual network operators (MVNOs) are included in this industry. Under the SBA's size standard, such a business is small if it has 1,500 or fewer employees. U.S. Census Bureau data for 2012 show that 1,341 firms provided resale services during that year. Of that number, all operated with fewer than 1,000 employees. Thus, under this category and the associated small business size standard, the majority of these resellers can be considered small entities. According to Commission data, 213 carriers have reported that they are engaged in the provision of local resale services. Of these, an estimated 211 have 1,500 or fewer employees. Consequently, the Commission estimates that the majority of Local Resellers are small entities.

46. *Toll Resellers.* The Commission has not developed a definition for Toll Resellers. The closest NAICS Code Category is Telecommunications Resellers. The Telecommunications Resellers industry comprises establishments engaged in purchasing access and network capacity from owners and operators of telecommunications networks and reselling wired and wireless telecommunications services (except satellite) to businesses and households. Establishments in this industry resell telecommunications; they do not operate transmission facilities and infrastructure. Mobile virtual network operators (MVNOs) are included in this industry. The SBA has developed a small business size standard for the category of Telecommunications Resellers. Under that size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 show that 1,341 firms provided resale services during that year. Of that number, 1,341 operated with fewer than 1,000 employees. Thus, under this category and the associated small business size standard, the majority of these resellers can be considered small entities. According to Commission data, 881 carriers have reported that they are engaged in the provision of toll resale services. Of this total, an estimated 857 have 1,500 or fewer employees.

Consequently, the Commission estimates that the majority of toll resellers are small entities.

47. *Other Toll Carriers.* Neither the Commission nor the SBA has developed a definition for small businesses specifically applicable to Other Toll Carriers. This category includes toll carriers that do not fall within the categories of interexchange carriers, operator service providers, prepaid calling card providers, satellite service carriers, or toll resellers. The closest applicable NAICS Code category is for Wired Telecommunications Carriers as defined above. Under the applicable SBA size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 shows that there were 3,117 firms that operated that year. Of this total, 3,083 operated with fewer than 1,000 employees. Thus, under this category and the associated small business size standard, the majority of Other Toll Carriers can be considered small. According to internally developed Commission data, 284 companies reported that their primary telecommunications service activity was the provision of other toll carriage. Of these, an estimated 279 have 1,500 or fewer employees. Consequently, the Commission estimates that most Other Toll Carriers are small entities.

48. *Prepaid Calling Card Providers.* The SBA has developed a definition for small businesses within the category of Telecommunications Resellers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees. According to the Commission's Form 499 Filer Database, 500 companies reported that they were engaged in the provision of prepaid calling cards. The Commission does not have data regarding how many of these 500 companies have 1,500 or fewer employees. Consequently, the Commission estimates that there are 500 or fewer prepaid calling card providers that may be affected by the proposed rules.

49. *Wireless Telecommunications Carriers (except Satellite).* This industry comprises establishments engaged in operating and maintaining switching and transmission facilities to

provide communications via the airwaves. Establishments in this industry have spectrum licenses and provide services using that spectrum, such as cellular services, paging services, wireless internet access, and wireless video services. The appropriate size standard under SBA rules is that such a business is small if it has 1,500 or fewer employees. For this industry, U.S. Census data for 2012 show that there were 967 firms that operated for the entire year. Of this total, 955 firms had employment of 999 or fewer employees and 12 had employment of 1000 employees or more. Thus under this category and the associated size standard, the Commission estimates that the majority of wireless telecommunications carriers (except satellite) are small entities.

50. The Commission's own data—available in its Universal Licensing System—indicate that, as of October 25, 2016, there are 280 Cellular licensees that will be affected by our actions today. The Commission does not know how many of these licensees are small, as the Commission does not collect that information for these types of entities. Similarly, according to internally developed Commission data, 413 carriers reported that they were engaged in the provision of wireless telephony, including cellular service, Personal Communications Service, and Specialized Mobile Radio Telephony services. Of this total, an estimated 261 have 1,500 or fewer employees, and 152 have more than 1,500 employees. Thus, using available data, we estimate that the majority of wireless firms can be considered small.

51. *Wireless Communications Services.* This service can be used for fixed, mobile, radiolocation, and digital audio broadcasting satellite uses. The Commission defined “small business” for the wireless communications services (WCS) auction as an entity with average gross revenues of \$40 million for each of the three preceding years, and a “very small business” as an entity with average gross revenues of \$15 million for each of the three preceding years.

The SBA has approved these small business size standards. *Wireless Telephony*. Wireless telephony includes cellular, personal communications services, and specialized mobile radio telephony carriers. The closest applicable SBA category is Wireless Telecommunications Carriers (except Satellite) and the appropriate size standard for this category under the SBA rules is that such a business is small if it has 1,500 or fewer employees. For this industry, U.S. Census Bureau data for 2012 show that there were 967 firms that operated for the entire year. Of this total, 955 firms had fewer than 1,000 employees and 12 firms had 1000 employees or more. Thus under this category and the associated size standard, the Commission estimates that a majority of these entities can be considered small. According to Commission data, 413 carriers reported that they were engaged in wireless telephony. Of these, an estimated 261 have 1,500 or fewer employees and 152 have more than 1,500 employees. Therefore, more than half of these entities can be considered small.

52. *Cable and Other Subscription Programming*. This industry comprises establishments primarily engaged in operating studios and facilities for the broadcasting of programs on a subscription or fee basis. The broadcast programming is typically narrowcast in nature (e.g. limited format, such as news, sports, education, or youth-oriented). These establishments produce programming in their own facilities or acquire programming from external sources. The programming material is usually delivered to a third party, such as cable systems or direct-to-home satellite systems, for transmission to viewers. The SBA size standard for this industry establishes as small, any company in this category which has annual receipts of \$38.5 million or less. According to 2012 U.S. Census Bureau data, 367 firms operated for the entire year. Of that number, 319 operated with annual receipts of less than \$25 million a year and 48 firms operated with annual receipts of \$25 million or more. Based on this data, the

Commission estimates that the majority of firms operating in this industry are small.

53. *Cable Companies and Systems (Rate Regulation)*. The Commission has developed its own small business size standards for the purpose of cable rate regulation. Under the Commission's rules, a "small cable company" is one serving 400,000 or fewer subscribers nationwide. Industry data indicate that there are currently 4,600 active cable systems in the United States. Of this total, all but eleven cable operators nationwide are small under the 400,000-subscriber size standard. In addition, under the Commission's rate regulation rules, a "small system" is a cable system serving 15,000 or fewer subscribers. Current Commission records show 4,600 cable systems nationwide. Of this total, 3,900 cable systems have fewer than 15,000 subscribers, and 700 systems have 15,000 or more subscribers, based on the same records. Thus, under this standard as well, we estimate that most cable systems are small entities.

54. *Cable System Operators (Telecom Act Standard)*. The Communications Act, as amended, also contains a size standard for small cable system operators, which is "a cable operator that, directly or through an affiliate, serves in the aggregate fewer than one percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed \$250,000,000." There are approximately 52,403,705 cable video subscribers in the United States today. Accordingly, an operator serving fewer than 524,037 subscribers shall be deemed a small operator if its annual revenues, when combined with the total annual revenues of all its affiliates, do not exceed \$250 million in the aggregate. Based on available data, we find that all but nine incumbent cable operators are small entities under this size standard. The Commission neither requests nor collects information on whether cable system operators are affiliated with entities whose gross annual revenues exceed \$250

million. Although it seems certain that some of these cable system operators are affiliated with entities whose gross annual revenues exceed \$250 million, we are unable at this time to estimate with greater precision the number of cable system operators that would qualify as small cable operators under the definition in the Communications Act.

55. *All Other Telecommunications.* The “All Other Telecommunications” category is comprised of establishments primarily engaged in providing specialized telecommunications services, such as satellite tracking, communications telemetry, and radar station operation. This industry also includes establishments primarily engaged in providing satellite terminal stations and associated facilities connected with one or more terrestrial systems and capable of transmitting telecommunications to, and receiving telecommunications from, satellite systems. Establishments providing Internet services or voice over Internet protocol (VoIP) services via client-supplied telecommunications connections are also included in this industry. The SBA has developed a small business size standard for All Other Telecommunications, which consists of all such firms with annual receipts of \$32.5 million or less. For this category, U.S. Census Bureau data for 2012 shows that there were 1,442 firms that operated for the entire year. Of those firms, a total of 1,400 had annual receipts less than \$25 million and 42 firms had annual receipts of \$25 million to \$49,999,999. Thus, the Commission estimates that the majority of “All Other Telecommunications” firms potentially affected by our action can be considered small.

D. Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements for Small Entities

56. This *NPRM* proposes changes to, and seeks comment on, the Commission’s Truth in Caller ID rules. The proposed rules do not contain reporting or recordkeeping requirements,

and the proposals adopt no new reporting or recordkeeping requirements.

E. Steps Taken to Minimize the Significant Economic Impact on Small Entities, and Significant Alternatives Considered

57. The RFA requires an agency to describe any significant alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives (among others): (1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance and reporting requirements under the rules for such small entities; (3) the use of performance rather than design standards; and (4) an exemption from coverage of the rule, or any part thereof, for such small entities.

58. RAY BAUM'S Act does not distinguish between small entities and other entities and individuals. In the *NPRM*, the Commission seeks comment on alternatives to the proposed rules, and on alternative ways of implementing the proposed rules. The revisions proposed to the Commission's rules are not expected to result in significant economic impact to small entities.

F. Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rules

59. None.

III. PROCEDURAL MATTERS

60. *Comment Filing Procedures.* Pursuant to §§ 1.415 and 1.419 of the Commission's rules, 47 CFR 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the **DATES** section of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing

the ECFS: <http://apps.fcc.gov/ecfs/>

- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.
- People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an email to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (TTY).

61. *Ex Parte Presentations.* This proceeding shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with § 1.1206(b). In proceedings governed by § 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (*e.g.*, .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

62. *Regulatory Flexibility Analysis.* Pursuant to the Regulatory Flexibility Act (RFA), the Commission has prepared an Initial Regulatory Flexibility Analysis (IRFA) of the possible significant economic impact on small entities of the policies and actions considered in

this notice of proposed rulemaking. The text of the IRFA is set forth in section II of this document. Written public comments are requested on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comment on the notice of proposed rulemaking. The Commission's Consumer and Governmental Affairs Bureau, Reference Information Center, will send a copy of this notice of proposed rulemaking, including the IRFA, to the Chief Counsel for Advocacy of the Small Business Administration (SBA).

63. *Paperwork Reduction Act.* This document does not propose new or modified information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, therefore, it does not contain any new or modified information collection burdens for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198.

64. *Contact Person.* For further information about this proceeding, please contact E. Alex Espinoza, FCC Wireline Competition Bureau, Competition Policy Division, Room 5-C211, 445 12th Street, S.W., Washington, D.C. 20554, at (202) 418-0849, or alex.espinoza@fcc.gov.

IV. ORDERING CLAUSES

65. Accordingly, IT IS ORDERED, pursuant to sections 1, 4(i), 201(b), 227(e), 251(e) and 303 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 154(i), 201(b), 227(e), 251(e) and 303, and Pub. L. 115-141, Div. P, Title V, section 503, 132 Stat. 348 that this notice of proposed rulemaking IS ADOPTED.

66. IT IS FURTHER ORDERED that the Commission's Consumer and Governmental Affairs Bureau, Reference Information Center, SHALL SEND a copy of this notice of proposed rulemaking, including the Initial Regulatory Flexibility Analysis (IRFA), to the Chief Counsel for Advocacy of the Small Business Administration.

List of Subjects in 47 CFR Part 64

Communications common carriers, Caller identification information, Telecommunications, Telephone.

FEDERAL COMMUNICATIONS COMMISSION

Katura Jackson,
Federal Register Liaison Officer,
Office of the Secretary.

Proposed Rules

For the reasons discussed in the preamble, the Federal Communications Commission proposes to amend 47 CFR part 64 as follows:

PART 64 – MISCELLANEOUS RULES RELATING TO COMMON CARRIERS

1. The authority citation for part 64 is revised to read as follows:

Authority: 47 U.S.C. 154, 201, 202, 218, 222, 225, 226, 227, 228, 251(e), 254(k), 403(b)(2)(B), (c), 616, 620, 1401–1473; Sec. 503, Pub. L. 115-141, 132 Stat. 348.

2. Amend § 64.1600 by revising paragraphs (c) and (d) and adding paragraphs (m) through (o) to read as follows:

§ 64.1600 Definitions.

* * * * *

(c) *Caller identification information.* The term “caller identification information” means information provided by a caller identification service regarding the telephone number of, or other information regarding the origination of, a call made using a voice service or a text message sent using a text messaging service.

(d) *Caller identification service.* The term “caller identification service” means any service or device designed to provide the user of the service or device with the telephone number of, or other information regarding the origination of, a call made using a voice service or a text message sent using a text messaging service.

* * * * *

(m) *Text message.* The term “text message”:

- (1) Means a message consisting of text, images, sounds, or other information that is transmitted to or from a device that is identified as the receiving or transmitting device by

means of a 10-digit telephone number or N11 service code;

(2) Includes a short message service (SMS) message, and a multimedia message service (MMS) message; and

(3) Does not include:

(i) A real-time, two-way voice or video communication; or

(ii) A message sent over an IP-enabled messaging service to another user of the same messaging service, except a message described in paragraph (2) of this definition.

(n) *Text messaging service.* The term “text messaging service” means a service that enables the transmission or receipt of a text message, including a service provided as part of or in connection with a voice service.

(o) *Voice service.* The term “voice service”:

(1) Means any service that is interconnected with the public switched telephone network and that furnishes voice communications to an end user using resources from the North American Numbering Plan or any successor to the North American Numbering Plan adopted by the Commission under section 251(e)(1); and

(2) Includes transmissions from a telephone facsimile machine, computer, or other device to a telephone facsimile machine.

3. Amend § 64.1604 by revising paragraph (a) to read as follows:

§ 64.1604 Prohibition on transmission of inaccurate or misleading caller identification information.

(a) No person or entity in the United States, nor any person or entity outside the United States if the recipient is within the United States, shall, with the intent to defraud, cause harm, or wrongfully obtain anything of value, knowingly cause, directly, or indirectly, any caller identification service to transmit or display misleading or inaccurate caller identification information in connection with any voice service or text messaging service.

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[FR Doc. 2019-03721 Filed: 3/1/2019 8:45 am; Publication Date: 3/4/2019]